

**Electronic Data
Interchange (EDI)
Presentations -**

Banks

INPUT



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Interchange (EDI)
Presentations -
Banks**

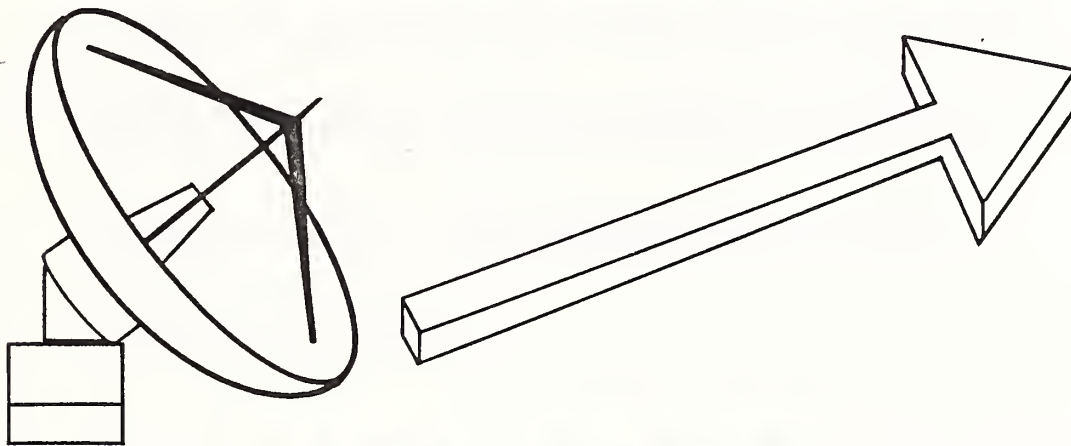


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INPUT[®]

ELECTRONIC DATA INTERCHANGE DIRECTIONS



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Consultant

INPUT

ZQAD
1986
C.1

AUTHOR

VICTOR WHEATMAN

TITLE ELECTRONIC DATA INTER-
CHANGE PRESENTATIONS -

DATE
LOANED

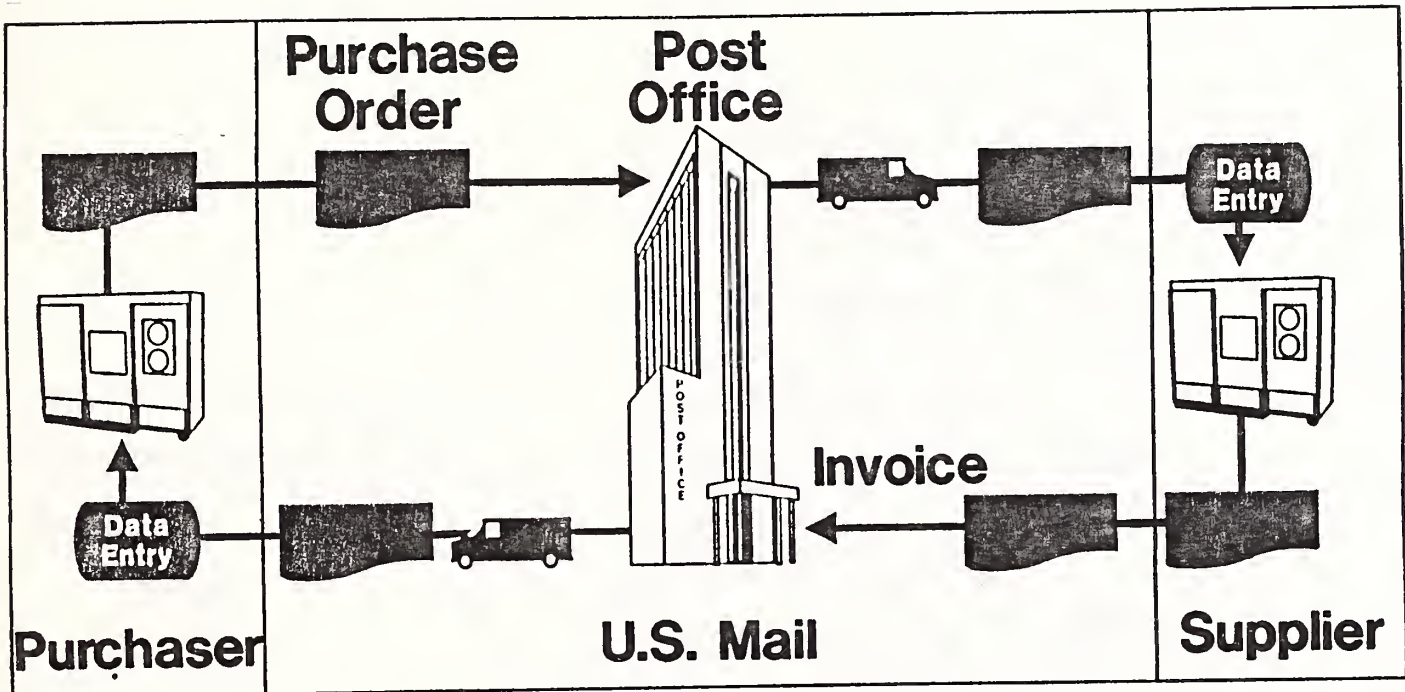
BORROWER'S NAME

BANKS

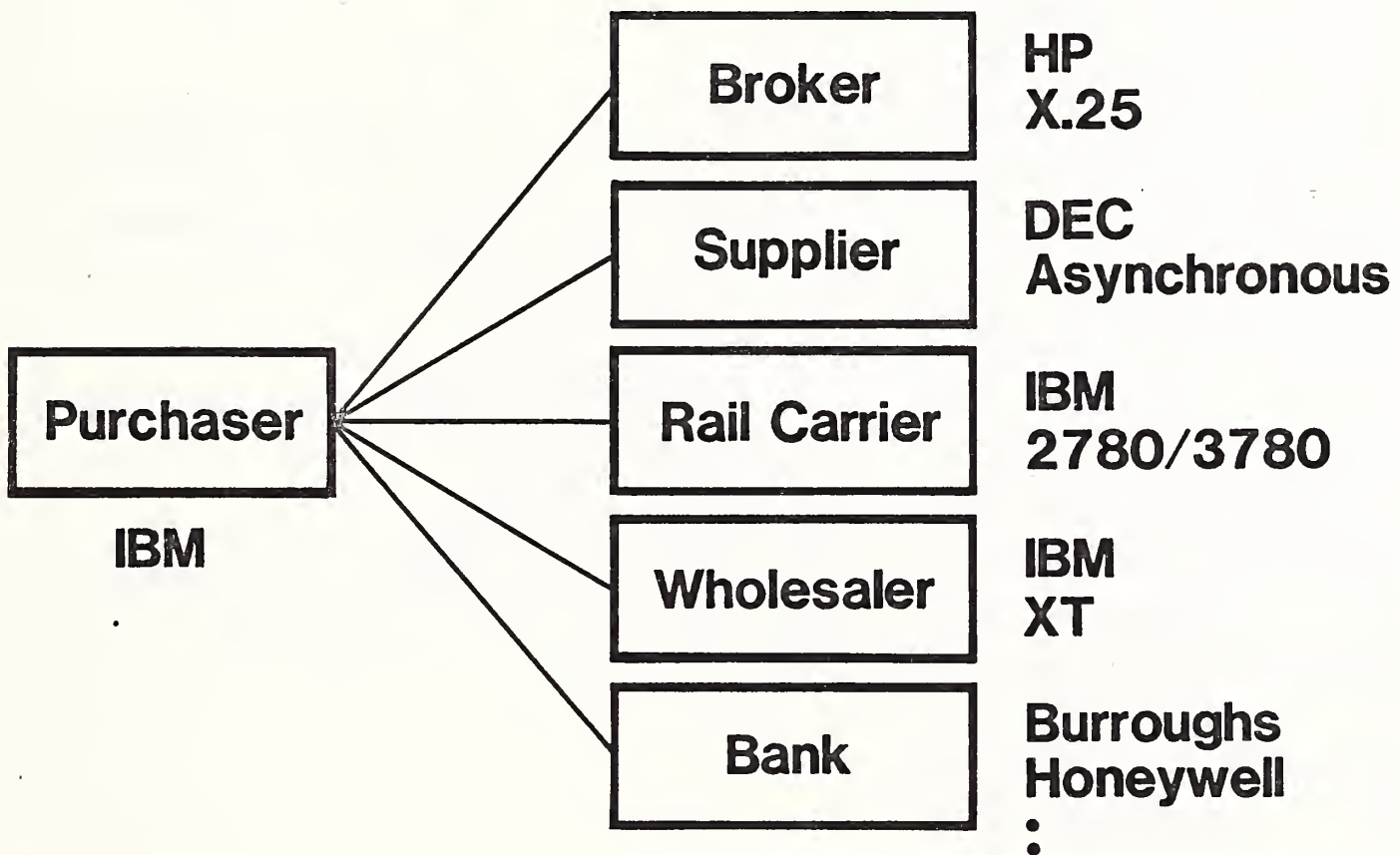
ELECTRONIC DATA INTERCHANGE

**The Computer-to-Computer
Exchange of Intercompany
Business Documents and
Information**

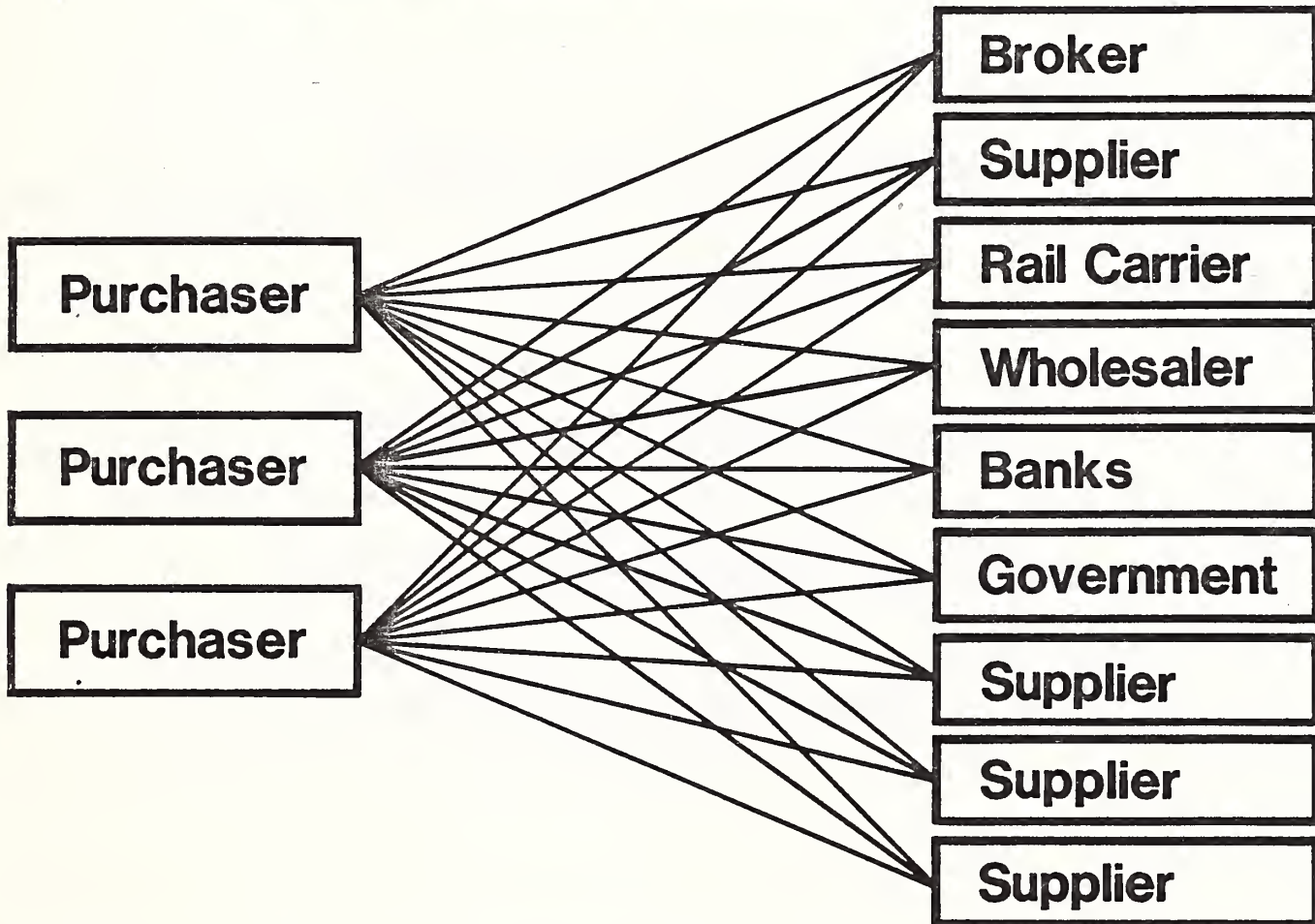
WITHOUT EDI



INCOMPATIBLE EQUIPMENT AND PROTOCOLS



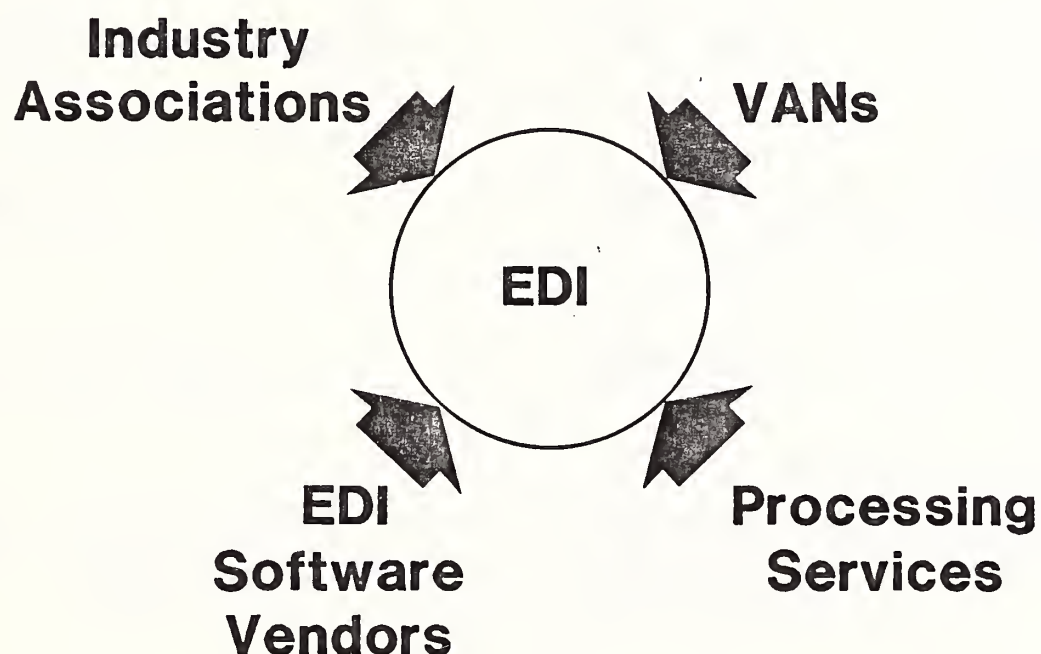
NUMEROUS PARTICIPANTS



EDI BENEFITS

Reduced Expenses
Fewer Errors
Improved Turnaround
Better Customer Service
Enhanced Management Control

WHO PARTICIPATES IN THE EDI MARKET?



VAN/EDI SERVICES

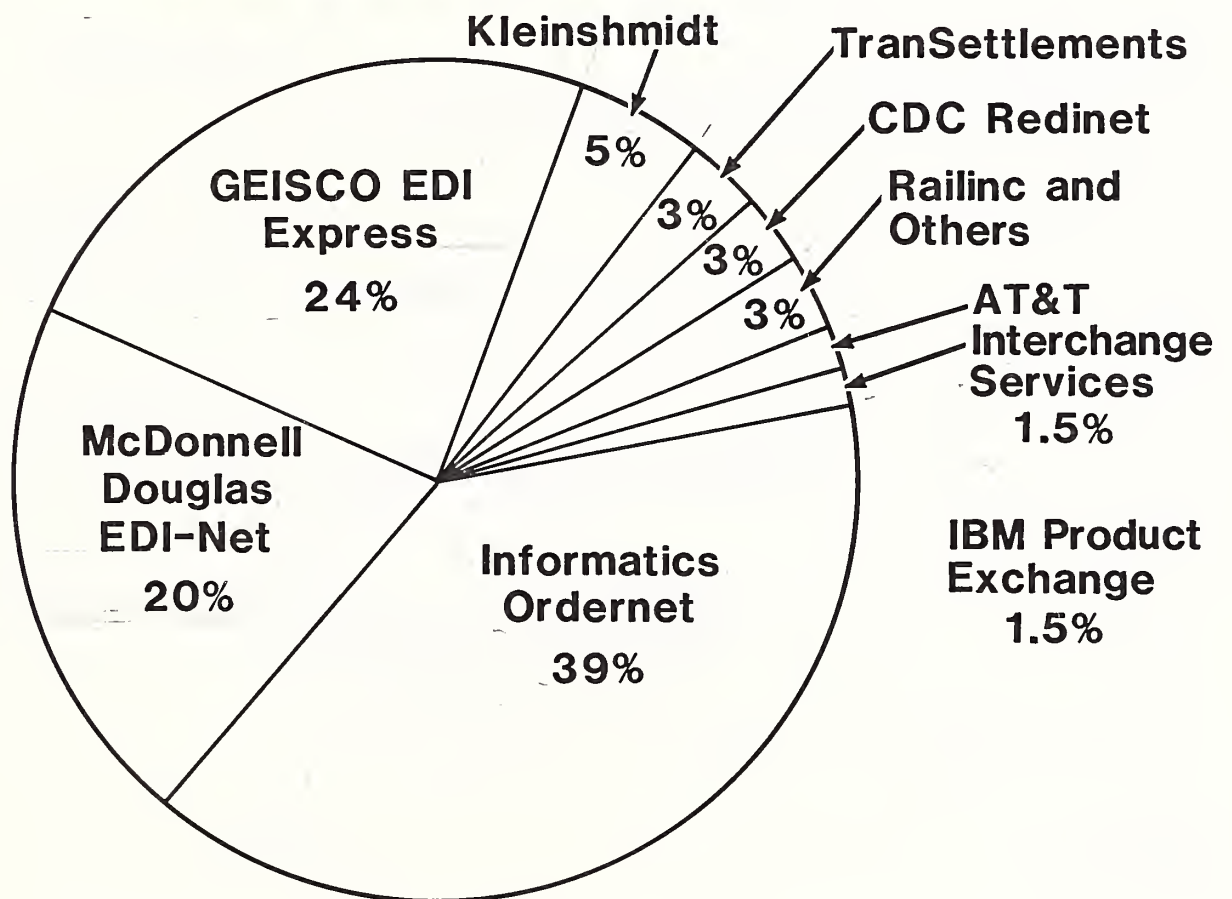
- **McDonnell Douglas** **- EDI Net**
- **GEISCO** **- EDI Express on MarkNet**
- **Control Data** **- Redinet**
- **IBM - Information
Network** **- Product Information
Exchange**

VAN/EDI SERVICES

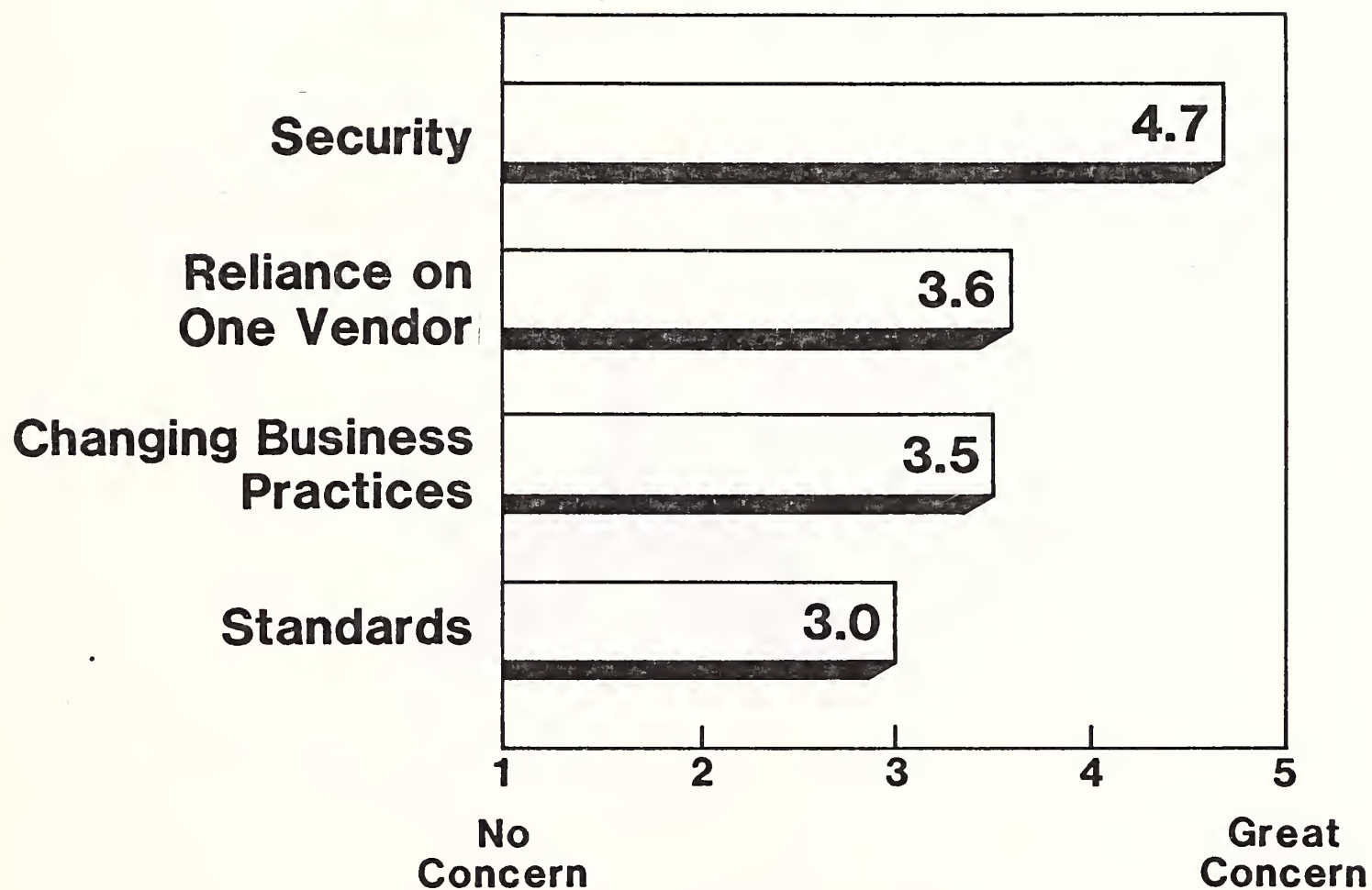
RCS EDI SERVICES

- **Informatics General
- Ordernet**
 - **SCM Kleinschmidt**
 - **Railinc**
 - **TranSettlements**
 - **Transnet**
-

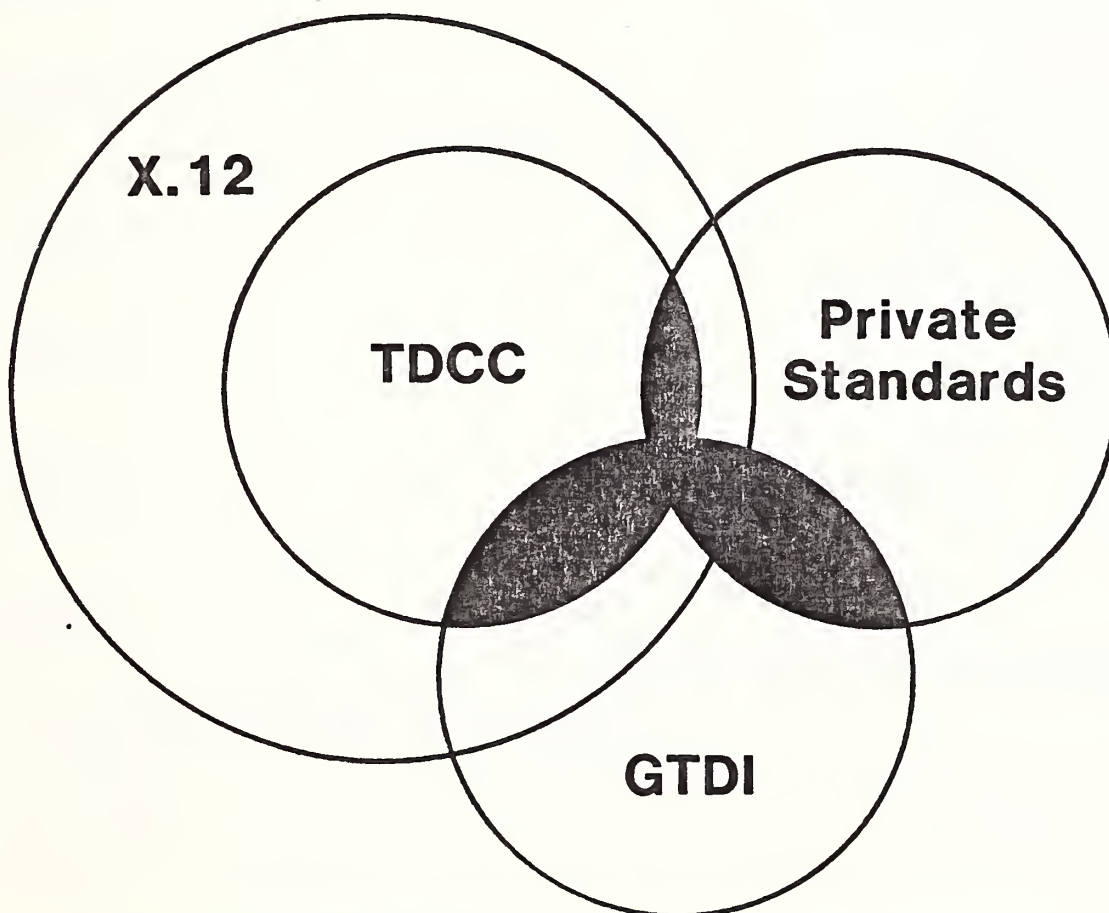
CURRENT EDI MARKET SHARES BY NUMBER OF USERS



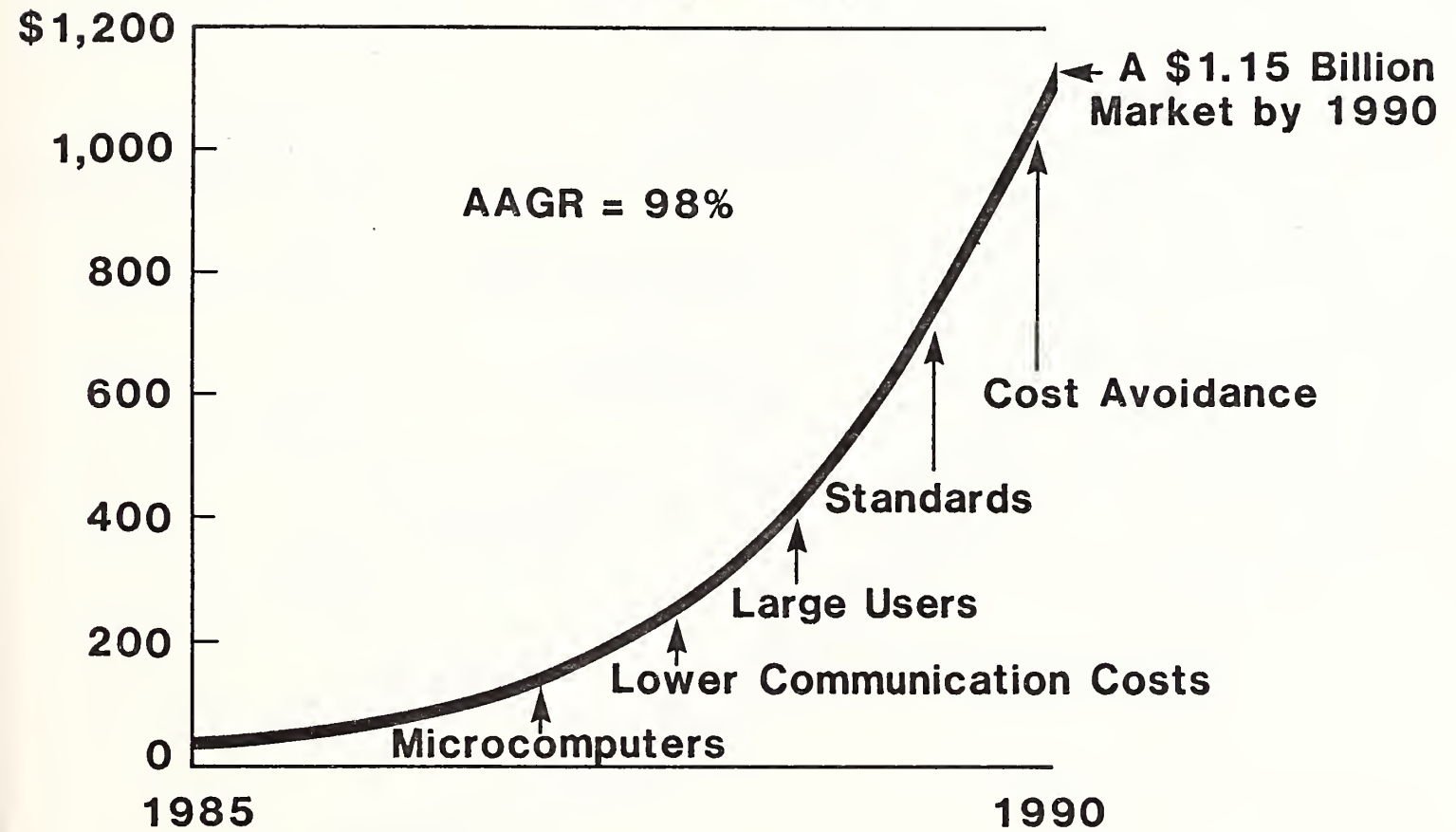
USER EDI CONCERNS



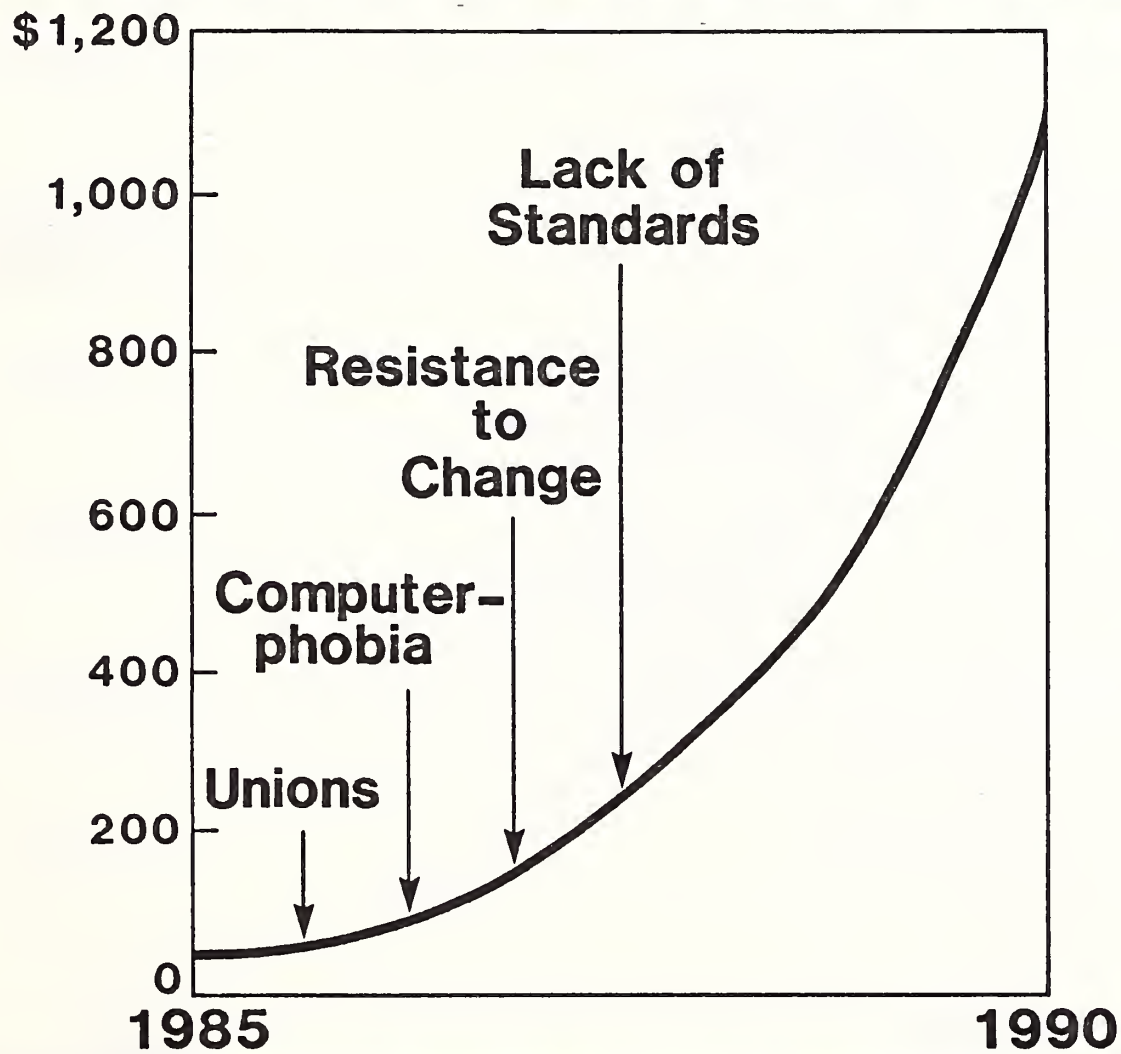
EDI STANDARD RELATIONSHIPS



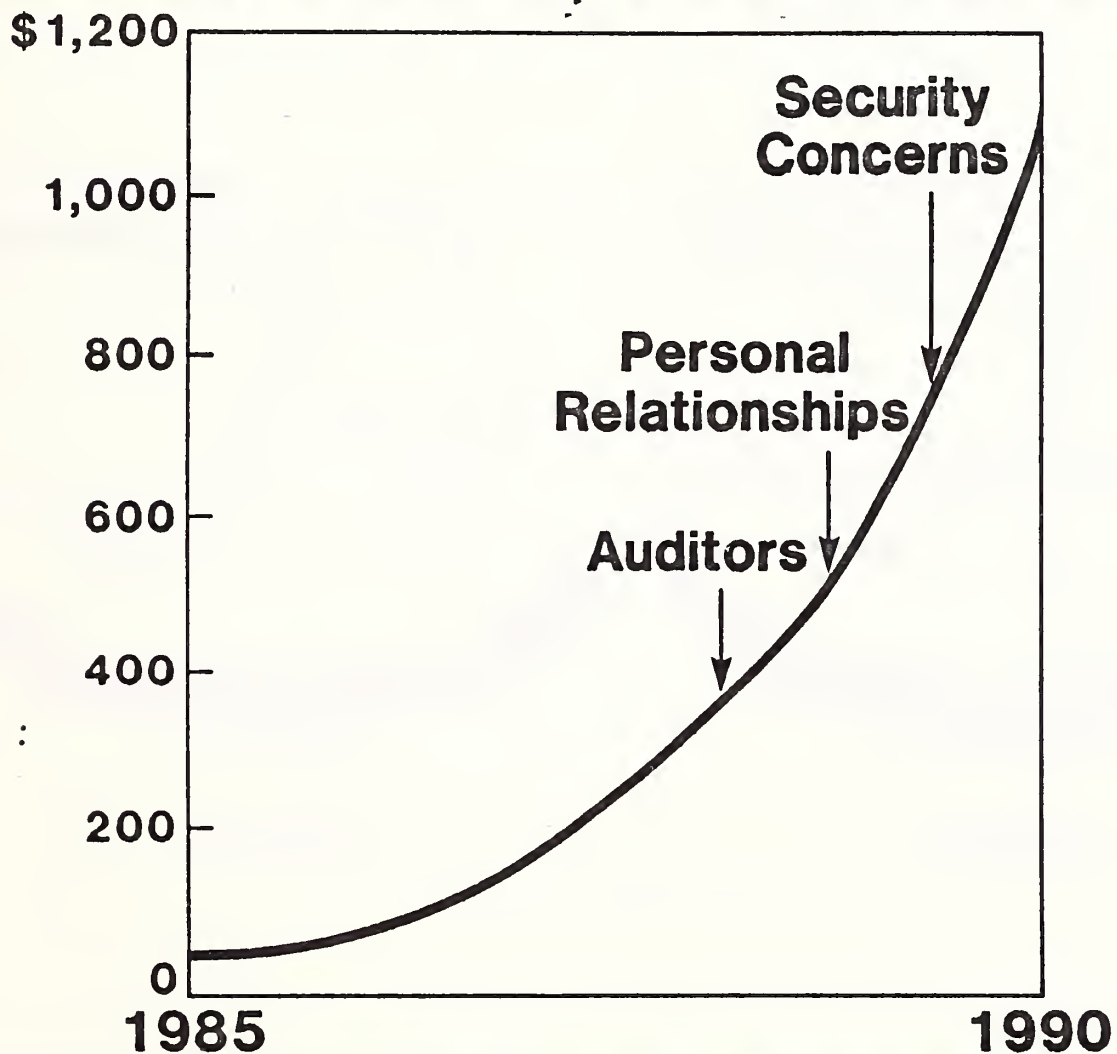
EXPONENTIAL EDI GROWTH (\$ Millions)



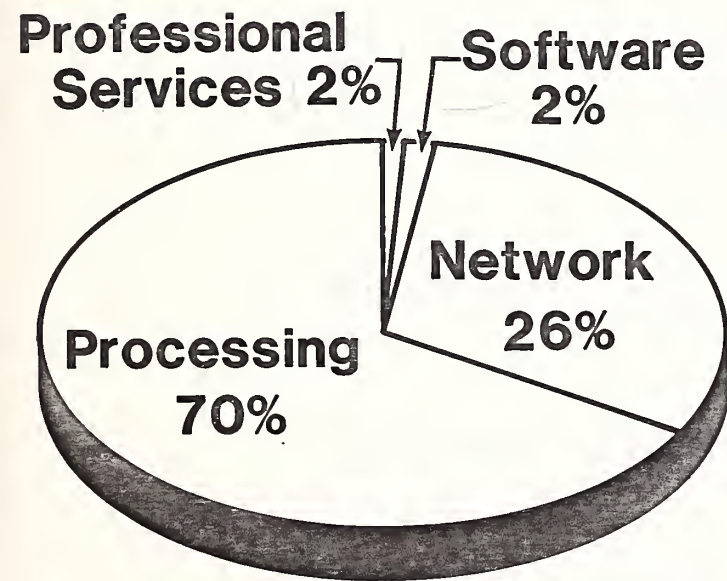
NEGATIVE FACTORS IMPACTING EDI



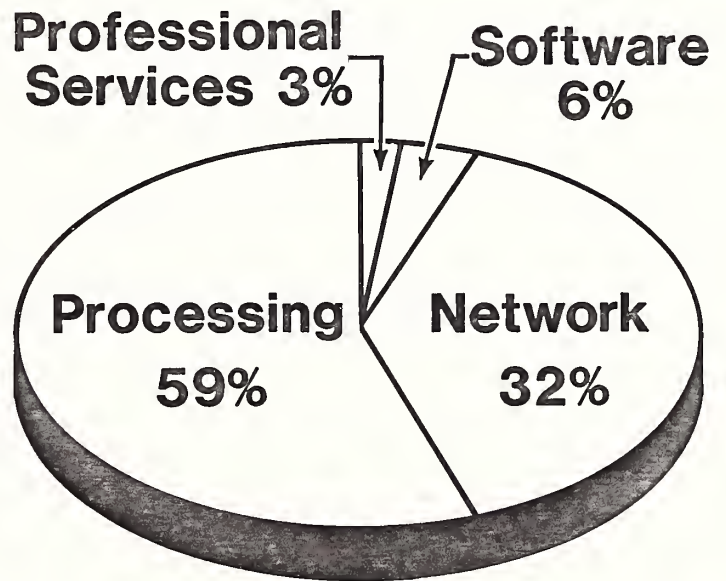
NEGATIVE FACTORS IMPACTING EDI



EDI MARKET BREAKDOWN

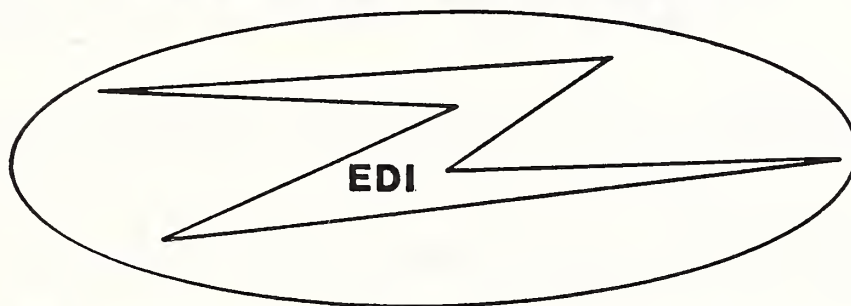


1985



1990

**CENTRAL RECOMMENDATION:
BUILD EDI AWARENESS**



- **Market to End-User Departments**
 - **Sponsor Seminars**
 - **Place Articles**
 - **Adopt an EDI Symbol**
-

EDI RECOMMENDATIONS: VANS

- **Use EDI to Keep Customers**
 - **Use E-Mail Forms as “Poor Man’s EDI”**
 - **Consider Unconventional Pricing**
 - **Consider Internetworking and Data Base Gateways**
 - **Provide Full Service**
-

EDI RECOMMENDATIONS: REMOTE COMPUTING SERVICES

- **Evaluate Current User Needs**
 - **License Software and
Integrate Applications**
 - **Provide Professional Services**
 - **Strengthen Marketing**
-

EDI RECOMMENDATIONS: SOFTWARE VENDORS

- **Develop Micro Software**
 - **Form Alliances with Larger Companies**
 - **Integrate EDI with Other Applications**
-

ADDING VALUE TO THIRD-PARTY EDI SERVICES

- **Forecasts and Market Analysis**
 - **Data Bases**
 - **Integration with Internal Applications**
 - **Graphics**
 - **Comparision Shopping**
-

PRIVATE NETWORK RECOMMENDATIONS

- **Use EDI for a Competitive Advantage**
 - **Plan for Future Needs**
 - **Consider Supplying Terminals to Trading Partners**
 - **Form an EDI Task Force**
-

PRIVATE NETWORK RECOMMENDATIONS

- **Evaluate Ability to Manage the Network**
 - **Upgrade Existing Systems in Stages**
 - **Require Suppliers to Use EDI**
-

EDI OPPORTUNITIES

- **International Trading and VANS (e.g., Japan)**
- **Undeveloped Industries**
 - **Building Materials**
 - **Textiles**
 - **Speciality Retailers**
 - **Photo Supplies**
 - **Services (Advertising, Benefits Coordinations)**
 - **Petroleum**

ISSUES

- **FLOAT – delayed payment, adjustment guidelines**
 - **SECURITY – encryption available (IMAGE)**
 - **AUDITORS – guidelines**
 - **EASE – documentation/training**
 - **STANDARDS: CTP/CCD/CTX – translations**
-

RECOMMENDATIONS

Goal: Industry EDI Clearinghouse (Contract)

- **Propose to:**
 - **Industry Associations – Dominant Vendors**
 - **Key Customers – VANS**
 - **Pilot Programs**
 - **Internal**
 - **External**
 - **Free Software**
-

INNOVATION

- **Balance Technology with Need**
- **Low Risk Piloting**
- **Top Level Responsibility**
- **Intrapreneurial Spirit/IBUs**

BANKS IN EDI

First Chicago

- Internal Piloting - Purchasing Department
- GM Development
- Sterling (Informatics) Ordernet Partnering
- Manufacturing/Mid West
- Freight Payments (Comtrac)
- Media Conversions: Electronic → Paper (Ordernet)

BANKS IN EDI

Bank of Boston

- **Freight Payments**
- **Payee/Payer Accounts with Bank**
- **Receive Notices from Trans settlements**

Others Are Evaluating

EDI/EFT OPPORTUNITIES

Piloting Industries

- **Paper, Office Products**
 - **Metals**
 - **Petroleum**
 - **Other Banks (Services, Software)**
-

EDI/EFT OPPORTUNITIES

Undeveloped Industries

- **Construction**
- **Textiles, Footwear, Leather Goods**
- **Speciality Retailers**
- **Services (Advertising, Telecom, Benefits, Business Services)**

Other

- **International Trading**
 - **Government Procurement**
-

EDI/EFT OPPORTUNITIES

- **Manufacturing: Auto, Machinery, Electronics, etc.**
 - **Transportation/Distribution/Warehousing**
 - **Medical Supplies**
 - **Insurance**
 - **Grocery/Retailers**
-

